



Opening Doors to Independence

1380 Spahn Avenue
York, Pennsylvania 17403
(717) 848-1690 • FAX (717) 845-3889

Hanover Association For The Blind
1 Center Square, Suite 15
Hanover, Pennsylvania 17331
(717) 633-5831

January 17, 2005

TO: President's Committee for Purchase From People
Who Are Blind or Severely Disabled
1421 Jefferson Davis Highway
Jefferson Plaza 2, Suite 10800
Arlington, VA 22202-3259
Attn: Mr. John Heyer; Janet Yandik

I am writing to express opposition to the proposed notice of rulemaking from the President's Committee which focuses on governance standards for nonprofit agencies participating in the Javits-Wagner-O'Day Program.

I am certain you have received many comments expressing concern that these rules exceed the scope of the Committee's authority. I agree totally but would like to share another perspective.

My agency, the York County Blind Center, currently is involved in a national business plan competition sponsored by the Yale School of Management. The Partnership on Nonprofit Ventures is a major initiative at the Yale School of Management focusing on social entrepreneurship in the nonprofit sector. The Partnership was created to respond to a growing interest in income generation among nonprofit organizations. Many of these organizations seek to supplement their philanthropic activity with business income. With major funding from The Pew Charitable Trusts and The Goldman Sachs Foundation, The Partnership educates nonprofits about nonprofit enterprise, serves as a mechanism for capitalizing promising profit-making ventures with financial support, and provides intellectual capital to build the practice of social entrepreneurship in the nonprofit sector at-large. The Partnership on Nonprofit Ventures brings together three strands of the Yale School of Management's teachings- entrepreneurship, business skills, and social responsibility- to nonprofit organizations, infusing its program with the philosophy that superb business and management skills are a critical ingredient for leadership in every sector of the economy- private, public, and nonprofit.

There are many other initiatives that focus on developing successful earned income business models to support nonprofit programs and services. It is apparent that successful nonprofit organizations cannot depend solely upon the generosity of donors and other sources of unearned income. In light of this, the Committee's proposed rules limiting executive compensation and other issues of Board governance run contrary to an evolving body of best business practices that more closely follow those of for-profit businesses where compensation is based upon performance and not arbitrary caps or limitations. In fact, I would contend that the success of nonprofit organizations rests largely on the talents of those who lead them and those that lead successful organizations

should be compensated for that success equal to or greater than those in the private sector, in order to recruit and retain the very best talent available.

I would urge you to study current issues on nonprofit management and look beyond the beltway for developing policies and procedures that seek to recruit, train and retain the very best management talent available.

Sincerely,

A handwritten signature in dark ink, appearing to read "William Rhinesmith". The signature is fluid and cursive, with the first name "William" and last name "Rhinesmith" clearly distinguishable.

William Rhinesmith
President

c. Stephen Patterson